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April 24, 2006

Barbara S. Cheatham
Office Manager
Beech Grove Water System, Inc.
P. O. Box 118
Beech Grove, KY 42322-0118

CERTIFICATE OF SERVICE

RE: Case No. 2005-00432
Beech Grove Water System, Inc.

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on April 24, 2006.

Executive Director

BOD/jc
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF BEECH GROVE WATER)	
SYSTEM FOR A DEVIATION FROM THE)	CASE NO.
REQUIREMENTS OF 807 KAR 5:066, SECTION)	2005-00432
4(4), REGARDING WATER STORAGE)	

O R D E R

On October 20, 2005, the Beech Grove Water System ("Beech Grove Water") applied for permission to deviate from Administrative Regulation 807 KAR 5:066, Section 4(4), which requires that each utility maintain minimum water storage of one day's supply of its average daily usage. Beech Grove Water states in its application that its average daily water usage, including unaccounted-for water, is approximately 188,250 gallons, and that its current water storage capacity is 16,000 gallons. Henderson Water Utility, one of Beech Grove Water's current water suppliers, has stated by letter dated October 13, 2005, that it plans to add a 1-million-gallon storage tank in 2006, bringing its total storage capacity on its South System to 4.8 million gallons. Henderson Water Utility is currently producing approximately 3.2 million gallons per day in its South System that supplies potable water to Beech Grove Water.

The Commission, having reviewed the application and being otherwise sufficiently advised, finds that:

1. Beech Grove Water is not in compliance with Administrative Regulation 807 KAR 5:066, Section 4(4).

2. Beech Grove Water has one 16,000-gallon storage tank in its distribution system and an average daily water usage in the approximate amount of 188,250 gallons.

3. Henderson Water Utility, by letter dated October 13, 2005, is willing to provide the needed storage capacity for Beech Grove Water.

IT IS THEREFORE ORDERED that:

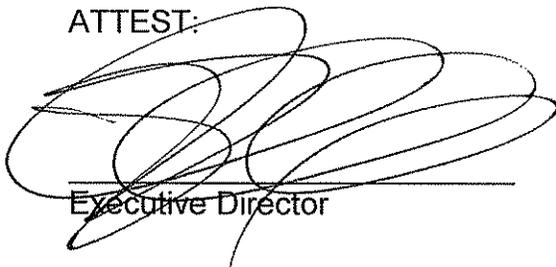
1. Beech Grove Water is given until January 1, 2012 to comply with the provisions of Administrative Regulation 807 KAR 5:066, Section 4(4).

2. Beech Grove Water shall take all necessary actions to bring its water storage facilities into compliance with Commission regulations prior to January 1, 2012.

Done at Frankfort, Kentucky, this 24th day of April, 2006.

By the Commission

ATTEST:



Executive Director